



MEMORANDUM

TO: Board of Directors

FROM: Noël Russell-Unterburger, Chief Financial & Operating Officer

DATE: October 22, 2024

SUBJECT: Paylocity Service Improvement Proposal

Board Action

It is recommended that the board approve the services agreement with Paylocity and authorize management to execute the attached Guaranteed Pricing Addendum (to the Original Services Agreement).

Background

Paylocity, our current HRIS services provider, has presented a comprehensive service improvement proposal for our renewal period. The proposal outlines a two-part strategy to address current operational challenges and lays a strong foundation for growth and scalability by enhancing operational efficiency, improving workforce capabilities, and providing a flexible and modern system that can adapt to the organization's evolving needs.

Key aspects of the current environment include:

- Need for re-implementation of several core modules, including Recruiting, Onboarding, Human Resources, and ACA/Compliance
- Opportunity to upgrade existing services and add new functionalities
- Requirement for comprehensive staff retraining on both existing and new system features
- Need for enhanced account management support

Improvements also include a 12-month contract rather than 24 months, waived implementation fees (\$4,000 savings), and reduced payroll fees. The cost is \$69,827.94

Attachments: Paylocity Pricing Addendum, Full Bundle Proposal, Letter of Intent, and Proposed Solutions presentation.



GUARANTEED PRICING ADDENDUM (TO ORIGINAL SERVICES AGREEMENT)

Client Information:

Client Code: N7727
Client Name: Navigator Schools
Company Code (if applicable):
Requested By/Function: Steven Brown

Effective Date: 10/1/2024
Expiration Date: 10/31/2024

Related Company Codes (continued on next page if necessary):

Table with 8 columns and 5 rows for company codes.

Client Contact Information:

Contact: Annie Stevens Phone: 831-217-4897 Address: 650 San Benito St. Suite 250
City: Hollister State: CA Zip: 95023

Paylocity Corporation ("Paylocity") is pleased to provide Client with guaranteed pricing covering Paylocity's services for the next 12 months (refer to original Quote for Service/Letters of Intent), subject to the terms and conditions set forth in this amendment and Client's original Services Agreement.

Items included are base and unit fees. Items specifically excluded from this agreement are delivery, reverse wire fees, tax service fees, agency, child support, garnishment, maintenance and export fees, 401K transfer, SSN verification and year-end services.

In the month following the completion of the guaranteed price period, Client's prices will be subject to the same price increases applied to its other clients of similar size and product utilization unless a renewal agreement is signed by both parties.

1) Guaranteed Term: As consideration for the guaranteed pricing period, Client agrees to purchase the services for the same minimum guaranteed term noted above commencing with the effective date of this addendum, and thereafter.

2) Termination/Buy Out Fee: If Client terminates this agreement to purchase services prior to the end of the minimum guaranteed term, Client agrees to pay Paylocity a termination fee equal to the number of months remaining from the effective date of this amendment times average monthly processing fees for the terminated services (based on an average of the last three months of processing prior to the date of termination).

THE PAYLOCITY SERVICES COVERED BY THIS ADDENDUM ARE PROVIDED IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN THE ORIGINAL AGREEMENT(S) BETWEEN CLIENT AND PAYLOCITY COVERING ALL GENERAL AND SPECIFIC SERVICES. THIS AGREEMENT IS NOT VALID UNLESS SIGNED BY BOTH PARTIES.

Paylocity Corporation

Navigator Schools

Name:
Signature:
Title:
Date:

Name: Navigator Schools
Signature: Noël Russell Unterburger
Title:
Date:

Additional Notes:

Investment Summary

September 26, 2024 | Quote # Q-214814 | Version # 4 | Quote valid for 30 days



Client Company

NAVIGATOR SCHOOLS - N7727

650 San Benito St
Hollister, CA 95023
(408) 337-5445

Client Contact



Total Employee Count

373



Monthly Fee

\$5,579.62



One-Time Fees

\$0.00



Total Annual Investment

\$69,827.94

See following pages for line item breakdown of services

**Total Annual Investment includes estimated annual fees*
**Annualized fees do not include usage based fees*
**Monthly fees based on # of Active Employees as defined in the Service Agreement*
***Plus sales tax if applicable*

This Investment Summary ("Investment Summary" or "Order") is governed by the Paylocity Subscription Agreement found [here](#) together with any additional terms specified below. Any terms and conditions referenced on a Client purchase order shall not apply to this Investment Summary.

By signing below, Client agrees to the terms and conditions of this Investment Summary and the SA which shall be effective as of the date of Client's signature below ("Order Effective Date").

Paylocity Account Executive	Date	Alicia Hammond
Signature		(224) 318-3389

Client Authorization	Date
Signature	
Name (Print)	

National Awards & Recognition



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Monthly Fees	Base	Qty	Rate	Monthly
HCM Bundle	\$62.95	373	\$14.79	\$5,579.62
Payroll				
• Unlimited Payroll Runs	-	-	-	Included
• On Demand Payment	-	-	-	Included
• Payroll Processing	-	-	-	Included
• Tax Filing & Payments	-	-	-	Included
• Direct Deposit	-	-	-	Included
• New Hire Reporting	-	-	-	Included
• Prorated & Retro Pay	-	-	-	Included
• Check Printing Service	-	-	-	Included
Time & Labor				
• Time & Attendance	-	-	-	Included
• Time Collection	-	-	-	Included
Benefits				
• Benefits Decision Support	-	-	-	Included
• Benefits Administration	-	-	-	Included
• Carrier Benefits EDI/API	-	1	-	Included
Human Resources				
• Time Off Management	-	-	-	Included
• Fillable Employee Forms	-	-	-	Included
• Human Resources Management	-	-	-	Included
• Org Chart & Directory	-	-	-	Included
• Skills & Certifications Management	-	-	-	Included
• Workflows Process Automation	-	-	-	Included
• Centralized Document Library	-	-	-	Included
• Unlimited Custom Fields	-	-	-	Included
• Position Management	-	-	-	Included
• Employment Verification	-	-	-	Included
• Employee Self-Service	-	-	-	Included
Talent				
• Onboarding	-	-	-	Included
• Recruiting	-	-	-	Included
Employee Experience				
• Mobile App	-	-	-	Included
• AI Assist	-	-	-	Included
• Community	-	-	-	Included
• Recognition	-	-	-	Included
• Employee Voice	-	-	-	Included
Insights & Reporting				
• Dynamic Reporting	-	-	-	Included
• Modern Workforce Index	-	-	-	Included
• Data Insights	-	-	-	Included
Customer Service				
• Dedicated Account Management	-	-	-	Included
• On Demand Training (PEAK)	-	-	-	Included

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• Unlimited Product Training	-	-	-	Included
Monthly Total				\$5,579.62

There is no fee to the company for On Demand Payment; however, employees will be charged \$1.25 per transaction.

Annual Fees	Base	Qty	Rate	Annual
W2 / 1099	\$50.00	373	\$7.00	\$2,661.00
Annual SSN Verification	\$25.00	373	\$0.50	\$211.50
Annual Total				\$2,872.50

Usage-Based Fees	Base	Rate
Electronic Garnishments		\$1.85
Direct Agency Pay		\$2.95
Delivery Next Day (UPS)		\$20.00
Split Pack		\$6.00

The fees listed above are invoiced as incurred on per usage basis in accordance with the terms and conditions. Please note these fees are in addition to the ongoing fees stated in the Investment Summary section of the quote.

Investment Summary

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Additional Terms

The following additional terms and conditions apply to the Services described herein. Capitalized terms used herein and not otherwise defined have the meaning ascribed to such terms in the Paylocity Subscription Agreement.

1. Subscription Term

a) **Initial Subscription Term:** The Initial Subscription Term commences on Service Start Date and continues for a period of two years. "Service Start Date" means (i) to the extent the Order does not cover any payroll services, the Order Effective Date or (ii) in the case of an Order that contains payroll services, on the date of First Payroll Processing. "First Payroll Processing" means any use of Paylocity's Services by or on behalf of Client to administer payroll.

(b) **Renewal Term:** Upon conclusion of the Initial Subscription Term, the Services automatically renew for a period of one year, unless Client provides notice of non-renewal at least 60 days prior to the applicable renewal date.

2. Additional Pricing and Payment Terms

(a) Implementation Fees are non-cancellable and non-refundable as of the Order Effective Date.

(b) Implementation Fees are due by Client upon the Order Effective Date.

(c) Paylocity reserves the right to update the price for the Services at any time after the Initial Subscription Term.

(d) Client agrees to allow Paylocity to debit from its account(s) on due date any and all fees due to Paylocity under this Agreement and in the same manner that payroll and tax funds are collected.

(e) **Termination Fee:** (1) If the termination occurs prior to First Payroll Processing (or, if Client has not purchased payroll services, prior to Client's access to the Services), Client shall pay a termination fee in an amount equal to 3X the average monthly service fees payable per applicable Order (2) If the termination occurs after First Payroll Processing (or, if Client has not purchased payroll Services, after Client has first accessed the Services), Client shall pay a termination fee in an amount equal to 50% of the number of months remaining in the then-current term multiplied by the average monthly amount billed for the Services over the prior 12 month period immediately preceding the termination (or if less than twelve (12) months has elapsed, the monthly average amount billed to Client over the months the Agreement was in effect prior to the termination date.)

Letter of Intent

This letter of intent will allow Paylocity to add the following service to my account. I understand I may be required to provide some additional documentation in addition to this letter. I understand that this letter serves as an addendum to the previously executed agreement and I understand the same terms and conditions apply to this letter of intent.

Customer Number	Company Name	Product/ Service	Implementation Fee	Base Fee	Rate	Billing Frequency	Number of Employees
N7727	Naviga tor Schools	Garnishment Management Services	0.00	0.00	\$9.25	Per Payment	1
N7727	Naviga tor Schools	RAMP Expense Management Integration	0.00	0.00	0.00	PPEM	373
N7727	Naviga tor Schools	Premium Video	0.00	0.00	0.50	PPEM	373
N7727	Naviga tor Schools	HR Edge	0.00	0.00	2.65	PPEM	373
N7727	Naviga tor Schools	Learning Management System (LMS)	0.00	0.00	2.00	PPEM	373
N7727	Naviga tor Schools	Compensation Management	0.00	0.00	0.70	PPEM	373
N7727	Naviga tor Schools	Performance Management	0.00	0.00	1.20	PPEM	373
N7727	Naviga tor Schools	Product Re-implementation – Onboarding	0.00	0.00	0.00	Per Product	1
N7727	Naviga tor Schools	Product Re-implementation – Recruiting	0.00	0.00	0.00	Per Product	1
N7727	Naviga tor Schools	Product Re-implementation – Human Resources	0.00	0.00	0.00	Per Product	1
N7727	Naviga tor Schools	Product Re-implementation – ACA/ Compliance	0.00	0.00	0.00	Per Product	1

Implementation Client Contact

Product	Name	Phone	Email

I understand that I will be billed for services (unless otherwise noted below) upon my next payroll, if applicable, in accordance with the terms of the previously executed services agreement. I will be contacted by someone from Paylocity regarding the

implementation of this service.

company name: _____

authorized officer's signature: _____

authorized officer's name (print): _____

title: _____

date: _____

paylocity representative name (print): _____

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Exclusively prepared for:





Meeting Overview

Agenda

- The Plan of Action Reviewed
- Explain the package options for you
- Next steps

Getting started – what we heard

- Why are we here today?
- What you can expect in, me, as your partner?
- What have I worked on for you?

The action plan – Path to Improved Service

Step 1: Re-implementation Recommendations:

- Recruiting
- Onboarding
- Human Resources
 - Including Document Library, Workflows, and Data Insights
- ACA/Compliance
- Timeline: Determine order of priority
 - Begin first module week of 10/1
 - Each module will be re-implemented in order of priority with each starting 3 weeks after the start of the previous.
 - It may make sense to combine more than one due to inter-related nature of functionality.

Step 2: Re-training as part of Re-implementation

- Recruiting
- Onboarding
- Human Resources
 - Including Document Library, Workflows, and Data Insights
- ACA/Compliance

Step 3: Re-training stand alone:

- Payroll – focused on new UI experience
- Employee Voice
- Reporting/Analytics
- Timeline: Determine order of priority
 - Begin first re-training in October
 - Move to next module once team is comfortable with current module

Step 4: New Account Manager/Team:

- Regular Cadence Call – first 6 months after start of plan
- Recommended bi-monthly if time is available for the first 3 months
 - Recommended monthly for the second 3 months
 - Every other month after that for the next 6 months (3 more times)

Expanding your Services

Other Services you don't have

- HR Edge
- Garnishment Management



Service Improvement – A Two-Part Strategy

Service Improvement Strategy - Part 1:

- Update to modern/bundled billing structure
 - Unlimited payrolls
 - Simplified PPEM Module
 - Significant Savings on Payroll fees
- Upgrade to Garnishment Management Services
 - See GMS slide for details
- RAMP Expense Management Integration

Service Improvement Strategy - Part 2:

- Reduction in PPEM of existing modules/services
- Add Expanded Functionality
 - HR Edge
 - Learning Management System
 - Compensation Management
 - Performance Management
 - Premium Video
- Implementation fee for new functionality waived
- Re-implementation Services - \$0.00
 - Onboarding, Recruiting, HR, ACA/Compliance
 - Savings of \$2,000.00

Required New Service Term Agreement - ~~2 Years~~ - 12 Months

Garnishment Management Services (GMS)

Paylocity has two options for Garnishments. A self-service style of Garnishment Management (what you currently utilize) that allows you to set up Garnishments in the Paylocity system for payment/remittance. This service leaves the responsibility for set-up and deactivation of the Garnishment on the client. This is a cost-effective option if a company has very few garnishments in a year. If a company has what they feel is “a lot” every year, then Paylocity does have a Garnishment Management Service that leverages Paylocity’s GMS team to do all the work.

“Garnishment Managed Services (GMS) transfers the following responsibilities from the company to Paylocity: reviewing garnishments, analyzing garnishments, entering garnishments into HR & Payroll, sending and processing payments via EFT (Electronic File Transfer) or Agency Check, and reporting garnishments to agencies.”

This is a sample of the GMS team does for clients:

- **Answers to Writ of Garnishment:** Almost every garnishment (Creditor or Tax Levy) requests that the employer fill out a questionnaire and have it returned to the agency and the Plaintiff’s Attorney within X amount of days. GMS fills it out on behalf of the client and then send it to the client for signature (Paylocity does not sign on behalf of any client). Once the client signs and returns the questionnaire, GMS makes a copy (that includes the signature), and then mails it to each party as per order.
- **Custom Calculations:** When an employee has multiple garnishments, at times it is necessary to add a custom calculation to the deduction so that it calculates accurately. GMS has the ability to add that custom calculation in an expedited manner.
- **Terminated Employees:** When a client sends in a garnishment order and the employee terminates, in order to keep the client in compliance, GMS notifies the agency (by filling out a document sent by the agency) that the employee terminated, as well as any other information requested.
- **Reporting Terminated Employees:** GMS keeps the client in compliance by auditing on a weekly basis which employees have terminated that have Child Support. From there, GMS sends a file (or manually enters) in the Child Support website the requested employee information.
- **Review of Documents**
Example: Client sends GMS an email coming from the employee indicating that the client has paid the garnishment.
 - The client provided GMS a valid document from the IRS indicating that the client does not owe the IRS.
 - After reviewing the document and reviewing the garnishment set up in HR & Payroll, GMS notices that the garnishment was for North Carolina (NC) and not for the IRS.
 - As the IRS and NC separate entities, GMS still confirms with the state of North Carolina. GMS notifies the client that the document to stop the garnishment needs to be from North Carolina Department of Revenue.
 - GMS saves the client from potential penalties if garnishment would have otherwise stopped.
- **Reach Out to Agencies:** If there are ever any questions about the garnishment, GMS directly reaches out to the agency. This saves the client some time and hassle.



Mutual Engagement Plan

Target Date	Complete (Y/N)	Activity/Deliverable	Customer Contact	Paylocity Contact
7/30/2024	Y	Initial Planning Meeting	Annie Stevens Serena Costanza Mariana Rodriguez Cristina Calvetti	Steven Brown Patrick McBride
9/5/2024	TBD	Reconvene to discuss next steps	Navigators Schools Team	Steven Brown Patrick McBride
WK of 9/16	TBD	Demo any potential new modules Review potential integrations	Navigator Schools Team	Steven Brown Paylocity SC
9/26/2024	TBD	Review action plan and execute new 12-month agreement	Navigator Schools Team	Steven Brown Patrick McBride
WK of 10/1	TBD	Re-Implementation Kick-off Implementation Kick-off of new modules and integrations	Navigator Schools Team	Steven Brown Paylocity Implementation Consultant
11/1/2024	TBD	First regular cadence call with Service	Navigator Schools Team	Steven Brown Account Manager
12/1/2024	TBD	Completion of re-implementation and Implementation of any new services	Navigator Schools Team	Steven Brown Paylocity Implementation Team



Integrations – what do you need

Recruiting	Finance	Benefits	Retirement	Workforce	Talent	IT

400+ turnkey integrations & custom integrations